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UNITED STATES DISTRICT COURT  
DISTRICT OF OREGON  
EUGENE DIVISION

GLAS-WELD SYSTEMS, INC., an Oregon  
corporation,

Plaintiff,

v.

MICHAEL P. BOYLE, dba SURFACE  
DYNAMIX; and CHRISTOPHER M. BOYLE

Defendants.

Case No. 6:12-cv-02273-AA

**GLAS-WELD SYSTEMS, INC.'S  
RESPONSE IN OPPOSITION TO  
DEFENDANTS' MOTION TO DISMISS  
FOR LACK OF SUBJECT MATTER  
JURISDICTION**

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Glas-Weld Systems, Inc. (“Glas-Weld”) submits this response in opposition to Defendants Michael Boyle and Christopher Boyle (collectively, “the Boyles”) Motion to Dismiss for Lack of Subject Matter Jurisdiction (“Motion”) (Doc. No. 254).

## I. INTRODUCTION

Glas-Weld files this brief in opposition to yet another frivolous motion by Defendants asking the Court to dismiss this case due to Defendants’ objections to Glas-Weld’s evidence relating to damages. The Court has repeatedly issued orders informing Defendants that it will address their evidentiary concerns at trial, if necessary. But as evidenced by the Motion, Defendants continue to ignore the Court’s orders, and continue to re-litigate decided matters.

Defendants’ dilatory tactics have successfully delayed this case past the expiration of U.S. Patent No. 5,670,180. Defendants correctly assert that an injunction cannot be entered on an expired patent. However, the expiration of a patent during the pendency of a lawsuit is completely irrelevant to subject matter jurisdiction. Indeed, under 35 U.S.C. §286, a patent infringement lawsuit may be brought up to six years **after** the expiration of a patent. Glas-Weld filed this action years before the ’180 Patent expired. And there is no dispute that Glas-Weld owns the ’180 Patent and that the Defendants sold the products accused of infringing the ’180 Patent in the United States. Accordingly, this case arises under the patent laws of the United States, 35 U.S.C. §§101 *et seq.*, and the Court has subject matter jurisdiction.

## II. ARGUMENT

The Court has subject matter jurisdiction to hear the issue of infringement of the ’180 Patent in this matter. Specifically, this case arises under the patent laws of the United States, 35 U.S.C. §§ 101 *et seq.*, and United States District Courts have exclusive subject matter jurisdiction over patent infringement cases. 28 U.S.C. §1338. It is undisputed that Glas-Weld owns the ’180 Patent and that the Defendants sold the

products accused of infringing the '180 Patent in the United States. Glas-Weld filed its complaint in this matter on December 17, 2012 – more than three years before the expiration of the '180 Patent. (Doc. No. 1).

Defendants have failed to state any ground which vitiates the Court's subject matter jurisdiction over Glas-Weld's infringement claims under the '180 Patent. Instead Defendants argue that injunctive relief is not available, and raise objections to the evidence Glas-Weld produced in support of its damages.

**A. The Expiration of the '180 Patent is Irrelevant**

It is true that Defendants' dilatory tactics have extended this case past the term of the '180 Patent, and that Glas-Weld can no longer obtain an injunction against Defendants relating to their past infringement of the '180 Patent. However, the expiration of a patent does not remove subject matter jurisdiction. Indeed, U.S. law allows a party to bring a law suit on an expired patent to recover past damages for up to six years prior to the filing of such a complaint. 35 U.S.C. § 286. This case was filed more than three years before the '180 Patent expired, and there is no dispute that Defendants sold the infringing products during the '180 Patent's term. Thus, the Court has subject matter jurisdiction over Glas-Weld's claim of infringement under the '180 Patent.

**B. The Court has Repeatedly Held that Evidentiary Damages Issues Will Be Addressed at Trial**

Defendants' remaining argument relates solely to the sufficiency of Glas-Weld's evidence relating to damages. However, the Court has repeatedly denied Defendants' baseless motions attempting to end this matter based on these alleged evidentiary deficiencies. See (Doc. No. 244) ("Defendants' motions to disqualify attorneys and exclude plaintiff's evidence on damages 232, 233 are denied. *The arguments presented by defendants do not support disqualification but rather go to the*

***admissibility of evidence and how much weight the court should afford such evidence. Defendants' argument regarding damages will be taken up at the pretrial conference***"); see also (Doc. No. 217) ("***If, at trial, defendants believe that plaintiff's damages analysis . . . is unsupported by the documents, they can make that argument.***"); (Doc. No. 226) ("***Plaintiff's purported discovery failures regarding damages calculations do not warrant dismissal[.]***") Accordingly, Defendants' Motion has already been denied by this Court numerous times, yet Defendants insist on wasting the Court's and Glas-Weld's time and resources re-litigating this issue.

### **C. Glas-Weld has a Sufficient Evidentiary Basis for Damages**

Defendants falsely allege in the Motion that "Glas-Weld has made no allegations of financial harm as a result of the Boyle[s]' alleged infringement." Motion at 3. However, from the inception of this case Glas-Weld alleged that "[t]he infringement [of the '180 Patent] by Mr. Boyle dba Surface Dynamix has damaged Glas-Weld[.]" (Doc. No. 1, Complaint at ¶ 22). Similarly, Glas-Weld's Amended Complaint alleges that Defendants' infringement of the '180 Patent has damaged Glas-Weld. (Doc. No. 43 at ¶¶ 34 & 58).

The Boyles further misrepresent that Glas-Weld is only relying upon a single document to support its damages claim, and that Glas-Weld has not provided a calculation of damages to Defendants. In fact, Glas-Weld provided Defendants with an itemized calculation of damages on May 1, 2015, which gave Defendants notice of all damages theories Glas-Weld was pursuing. (Doc. No. 190-11). Glas-Weld can further rely upon any document that has been produced in this litigation as evidence of damages, including Exhibit 3 to the Motion (Doc. No. 255) and Defendants' own production of sales data. Defendants admit that exhibit 3 shows "manufacturing costs, and sales margins", which – together with Defendants' sales figures -- is all the evidence that Glas-Weld needs to establish its lost profits theory of damages.

**D. The Court Retains Subject Matter Jurisdiction Over this Matter Even If Glas-Weld Fails to Prove Damages**

Even if Glas-Weld is unable to establish damages, that is an evidentiary matter, and not a question of subject matter jurisdiction. Even if Glas-Weld can no longer obtain an injunction as to the '180 Patent as a result of Defendants' continued dilatory actions, Glas-Weld can still ask the Court to find this case exceptional and award Glas-Weld attorneys' fees under *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 134 S.Ct. 1749 (2014) due to Defendants' litigation misconduct, including perjury, spoliation and refusal to produce relevant, responsive documents, and other misbehavior.

Accordingly, Defendants have raised no basis for dismissal of plaintiff's claims of infringement under the '180 Patent and the Court should deny the Motion.

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### III. CONCLUSION

For the foregoing reasons, Glas-Weld respectfully requests that the Court deny Defendants' Motion to Dismiss for lack of Subject Matter Jurisdiction.

DATED: April 26, 2016

COSGRAVE VERGEER KESTER LLP

***s/ Paul A. C. Berg***

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**CERTIFICATE OF SERVICE**

I hereby certify that I served a true and correct copy of the **GLAS-WELD SYSTEMS, INC.'S RESPONSE IN OPPOSITION TO DEFENDANTS' MOTION TO DISMISS FOR LACK OF SUBJECT MATTER JURISDICTION** on the date indicated below by:

- mail with postage prepaid, deposited in the US mail at Portland, Oregon,
- hand delivery,
- facsimile transmission,
- email
- electronic filing notification.

I further certify that said copy was delivered as indicated above and addressed to said attorneys and defendant at the addresses listed below:

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